

The Christmas Cheer Fund (In Trust)
Financial Statements
For the year ended March 31, 2016

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Tel: 705 945 0990
Fax: 705 942 7979
Toll-Free: 800 520 3005
www.bdo.ca

BDO Canada LLP
747 Queen Street E
PO Box 1109
Sault Ste. Marie ON P6A 5H7 Canada

Independent Auditor's Report

To the Members of United Way of Sault Ste. Marie & District

We have audited the accompanying financial statements of The Christmas Cheer Fund (In Trust), which comprise the statement of financial position as at March 31, 2016 and the statements of operations and fund balance and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

In common with many charitable organizations, the entity derives revenue from donations and fundraising events, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the organization. We were unable to determine whether any adjustments might be necessary to revenue, deficiency of revenue over expenses, assets and fund balances.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion, the financial statements present fairly, in all material respects, the financial position of The Christmas Cheer Fund (In Trust) as at March 31, 2016 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Chartered Professional Accountants, Licensed Public Accountants

Sault Ste. Marie, Ontario
June 22, 2016

The Christmas Cheer Fund (In Trust)
Statement of Financial Position

March 31	2016	2015
Assets		
Current		
Cash	\$ 103,516	\$ 109,350
Accounts receivable	592	704
	<u>\$ 104,108</u>	<u>\$ 110,054</u>
Liabilities and Fund Balance		
Liabilities		
Due to the United Way of Sault Ste. Marie & District	\$ 6,250	\$ 6,616
Deferred revenue	97,134	97,054
	103,384	103,670
Fund balance	<u>724</u>	<u>6,384</u>
	<u>\$ 104,108</u>	<u>\$ 110,054</u>

The accompanying notes are an integral part of these financial statements.

The Christmas Cheer Fund (In Trust)
Statement of Operations and Fund Balance

For the year ended March 31	2016	2015
Revenue		
Sault Star Santa Claus Fund	\$ 97,054	\$ 112,533
Miscellaneous donations	-	50
	<u>97,054</u>	<u>112,583</u>
Expenditures		
Administration fees	10,000	10,000
Christmas Cheer	84,838	83,537
Office expenses	7,876	8,810
Storage rental	-	146
	<u>102,714</u>	<u>102,493</u>
Excess (deficiency) of revenue over expenditures	(5,660)	10,090
Fund balance, beginning of year	6,384	(3,706)
Fund balance, end of year	\$ 724	\$ 6,384

The accompanying notes are an integral part of these financial statements.

The Christmas Cheer Fund (In Trust)
Statement of Cash Flows

For the year ended March 31	2016	2015
Cash flows from operating activities		
Excess (deficiency) of revenues over expenditures	\$ (5,660)	\$ 10,090
Changes in non-cash working capital balances		
Decrease (increase) in accounts receivable	112	(704)
Increase (decrease) in due to the United Way	(366)	693
Increase (decrease) in deferred revenue	80	(15,479)
Net decrease in cash during the year	(5,834)	(5,400)
Cash, beginning of year	109,350	114,750
Cash, end of year	\$ 103,516	\$ 109,350

The accompanying notes are an integral part of these financial statements.

The Christmas Cheer Fund (In Trust)

Note to Financial Statements

March 31, 2016

1. Significant accounting policies

- Nature of Operations** The Christmas Cheer Fund (In Trust), is administered by the United Way of Sault Ste. Marie & District. This administration includes the accounting of receipts and disbursements only. All disbursement decisions are made by Christmas Cheer, an independent body. The Fund is supported annually by donations from the Sault Star Santa Claus Fund and miscellaneous donations.
- Basis of Accounting** These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profits.
- Revenue Recognition** The Fund follows the deferral method of accounting for contributions. Revenue received in the current period for specific purposes is deferred until the related expenditures are incurred.
- Contributed Services** Volunteers assist the Fund in carrying out its various service delivery activities. Due to the difficulty in determining their fair value, contributed services are not recognized in the financial statements.
- Use of Estimates** The preparation of financial statements in accordance with Canadian generally accepted accounting principles for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. Actual results could differ from managements best estimates as additional information becomes available in the future.
- Financial Instruments** Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, they are reported at cost or amortized cost less impairment, if applicable.